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EXHIBIT NO. 3
04-853 and 04-854

August 10, 2004

Honorable James H. Welsh
Commissioner of Conservation
Office of Conservation
Post Office Box 94275
Baton Rouge, Louisiana 70804

RE: 4,930' SAND, RESERVOIR A
5,250' SAND, RESERVOIR A
ABBEVILLE FIELD
VERMILION PARISH, LOUISIANA

Dear Commissioner Welsh,

Application is hereby made on behalf of Palmer Petroleum, Inc. for the calling of a public hearing, after legal notice, to consider evidence relative to the issuance of an Order pertaining to the following matters relating to the above captioned sands and reservoirs, in the Abbeville Field, Vermilion Parish, Louisiana:

4,930' SAND, RESERVOIR A

1. To create a single drilling and production unit of approximately 21 acres for the 4,930' Sand, Reservoir A, designated as the 4,930' RA SUA, all as more particularly shown on the attached plat.
2. The 4,930' Sand, Reservoir A, in the Abbeville Field, Vermilion Parish, Louisiana, is hereby defined as being that oil and gas bearing sand between the measured depths of 4,930 and 4,940 feet (electric log measurements) in the Palmer Petroleum, Inc. (Lyons) – Nugier #2 well, located in Section 42, Township 12 South, Range 3 East, Vermilion Parish, Louisiana

5,250' SAND, RESERVOIR A

1. To create a single drilling and production unit of approximately 53 acres for the 5,250' Sand, Reservoir A, designated as the 5,250' RA SUA, all as more particularly shown on the attached plat.
2. The 5,250' Sand, Reservoir A, in the Abbeville Field, Vermilion Parish, Louisiana, is hereby defined as being that oil and gas bearing sand between the measured depths of 5,249 and 5,280 feet (electric log measurements) in the Palmer Petroleum, Inc. (Lyons) – Nugier #2 well, located in Section 42, Township 12 South, Range 3 East, Vermilion Parish, Louisiana

FOR THE SANDS ABOVE

1. To establish rules and regulations governing the exploration or and production of oil and gas from the said units;
2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the units so created, with each tract sharing in unit production on a surface acre basis of participation;
3. To designate a unit operator and unit well for the 4,930' RA SUA and the 5,250' RA SUA;
4. To provide that the Commissioner may reclassify the reservoirs by supplemental order without the necessity of a public hearing should such reclassification be warranted, based on evidence furnished to the Commissioner.
5. To provide that any wells drilled to the 4,930' Sand RA and the 5,250' RA SUA; be exempt from the provisions of Statewide Order No. 29-E.
6. To consider any other matters which may be pertinent to this application.

The conference tentatively scheduled for Thursday, August 19, 2004 at 10:00 a.m. **WILL NOT BE HELD**, as it was not requested within the delays provided for by the Rules of Procedure; therefore, no opposition to this Application at the hearing is anticipated.

Pertinent data relating to the proposed application can be obtained AT THE COST OF THE REQUESTING PARTY from W. H. Robbins & Associates, 140 Rue Beauregard, Ste. 100, Lafayette, LA 70508, Phone (337) 232-5004.

Plats outlining the proposed unit is attached hereto and made a part hereof. There is enclosed a list of names and addresses of the Interested Owners, Represented Parties and Interested Parties who are being forwarded this application. Pursuant to the Revised Rules of Procedure, such plat (being the same plat attached to the pre-application notice



